

**ADMINISTRATIVE SERVICES DEPARTMENT[11]****Adopted and Filed  
Preamble**

Pursuant to the authority of Iowa Code Supplement sections 8A.104, 8A.203, and 8A.311, the Administrative Services Department hereby rescinds 401—Chapter 5, “Printing Division,” and 471—Chapter 13, “Acquisition of Information Technology Devices and Services”; adopts 11—Chapter 102, “State Printing”; and amends 11—Chapter 105, “Procurement of Goods and Services of General Use,” Iowa Administrative Code.

These amendments incorporate rules on the purchasing of information technology and printing into the Department’s present chapter of rules for procurement of goods and services of general use.

New Chapter 102 addresses services provided by the printing division of the Department’s General Services Enterprise that are not related to procurement. The Department provides printing and procures printing for state agencies. Printing is now offered by the Department as a marketplace service. Consequently, the Department has delegated authority to agencies to either use the services of the Department or procure printing from another source without regard to the \$5,000 threshold which applies to the purchase by agencies of other goods and services of general use. When an agency chooses to procure printing without submitting the order to the Department, the agency shall follow the same rules that apply to procurement by the Department.

In addition, Chapter 105 is amended by providing in rule 11—105.10(8A) certain unique guidelines for contracting for public printing by both the Department and state agencies.

Currently all information technology acquisitions made by or for participating agencies are subject to review and approval by the Department prior to purchase. However, the present approval process allows for certain items on a preapproved software list to be exempted from the prepurchase review and approval process. These amendments instead implement a threshold so that all types of information technology purchases by participating agencies of \$50,000 or more are subject to prepurchase review and approval by the Department to determine the compliance of the procurement with information technology operational standards prescribed by the Department. All purchases of information technology shall be subject to postaudit review by the Department for the compliance of the purchases with standards.

The threshold for requiring direct vendor notification through the vendor on-line system is raised from \$2,500 to \$5,000 to coincide with the increase in the threshold for direct agency purchases. The change provides agencies more flexibility by allowing bidding by vendors that may have not yet registered with the vendor on-line system.

Subrule 105.5(1) is amended to implement 2004 Iowa Acts, House File 2520, signed by the Governor on April 7, 2004, and effective July 1, 2004. 2004 Iowa Acts, House File 2520, amends Iowa Code section 73.1 to ensure that Iowa-based companies are not excluded from the request for proposal process.

Notice of Intended Action was published in the June 9, 2004, Iowa Administrative Bulletin as **ARC 3415B**. There was a public hearing on June 29, 2004. No persons appeared at the hearing, although other input was received during the comment period and has been taken into consideration. Changes to the Notice were made as follows:

- In rule 105.2(8A), the definition of “material modification” was added to clarify when a change to an approved purchase must be submitted for review and approval. The definition now reads as follows:

“‘Material modification’ relating to an approved IT procurement means a change in the procurement of 10 percent or \$25,000, whichever is more, or a change of sufficient importance or relevance so as to have possible significant influence on the outcome.”

- The word “operational” was added to paragraph 105.10(1)“a” to clarify the type of standards that must be met by participating agency IT procurements. The paragraph now reads as follows:

- “a. All procurement of information technology devices and services must meet operational standards prescribed by the department.”

- In paragraph 105.10(1)“b,” the word “all” was added, and the paragraph now reads as follows:

- “b. Procurement of all information technology devices and services of \$50,000 or more must receive prior approval from the department of administrative services, information technology enterprise (DAS/ITE), before a participating agency issues a competitive selection document or any other procurement document or otherwise seeks to procure information technology devices or services or both through the department or on its own purchasing authority. The agency’s approval request shall be in a form prescribed by the department.”

- In paragraph 105.10(2)“k,” the Web address was changed and the word “approved” was deleted to clarify that the Department will no longer use lists of preapproved IT goods and services to create exemptions from the IT procurement preapproval process. The paragraph now reads as follows:

- “k. The department shall establish and maintain a Web page ([http://www.iowa.gov/government/ite/standards/enterprise\\_it/itprocurement.html](http://www.iowa.gov/government/ite/standards/enterprise_it/itprocurement.html)) of current operational standards for information technology devices and services. The Web page shall be updated from time to time with additions, deletions and modifications.”

- Subrule 105.12(6) was clarified by omitting the word “new,” as some purchases made involving trade-ins may not be for new items. The purchase may be for an item that has been formerly leased by the state. The subrule now reads as follows:

- “**105.12(6)** Trade-ins. When applicable and in the best interest of the state, the department may trade in devices or services to offset the cost of devices or services in a manner consistent with procurement practices to ensure accountability with the state’s fixed asset inventory system.”

- Paragraph 105.15(5)“a” was modified to clarify that master contracts are to be used by state agencies, and the paragraph now reads as follows:

- “a. Purchasing authority delegated to agencies shall not be used to avoid the use of master agreements. Because it is cost-effective to purchase a good or service of general use from a master agreement, the agency shall do so. The agency shall not break purchasing into smaller increments for the purpose of avoiding threshold requirements in subrules 105.15(1) and 105.15(2).”

These amendments will become effective on September 22, 2004.

These amendments are intended to implement Iowa Code Supplement sections 8A.201 to 8A.203, 8A.206, 8A.207, 8A.301, 8A.302, 8A.311, and 8A.341 to 8A.345, Iowa Code section 618.11 and 2004 Iowa Acts, House File 2520.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [rescind 401—Ch 5 and 471—Ch 13; adopt 11—Ch 102; amend 11—105.1 to 105.20] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 3415B**, IAB 6/9/04.

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[For replacement pages for IAC, see IAC Supplement 8/18/04.]